



THE COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF CAMPAIGN & POLITICAL FINANCE

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**INSTRUCTIONS FOR CANDIDATES ON THE USE OF  
DEPOSITORY BANK ACCOUNTS**

Candidates for statewide office, Governor's Council, county offices and certain municipal offices are required by section 19 of M.G.L. c.55 to designate a bank or other authorized financial institution (hereinafter referred to as "bank") as a depository for campaign funds.<sup>1</sup> These candidates are often referred to as "depository candidates." No other candidate is required to open a depository bank account.

These instructions will describe in general terms establishing a depository bank account, the use of a depository checking account, as well as the procedure for completing the receipt report form (Form CPF D106) and issuing checks. Candidates should consult a "Campaign Finance Guide for Depository Candidates" or this office for further information on the campaign finance laws and the depository system.

Establishing a Depository Account

The following is a brief summary of the forms which are required to be filed by the candidate and such candidate's committee when establishing a depository account. Please contact this office for more information.

**Form CPF 101 (Statement of Organization):** This form lists the names and addresses of the committee chairman and treasurer as well as the candidate on whose behalf the committee is organized.

**Form CPF D102 (Campaign Finance Report):** This report is filed as an initial report at the time of designating a depository bank to disclose any activity occurring since the last election held for the office now sought by the candidate, or the ending date of the candidate's most recently filed campaign finance report.

<sup>1</sup> The statewide offices are governor, lieutenant governor, secretary of state, attorney general, treasurer/receiver general, and auditor; the county offices are district attorney, clerk of court, register of probate, register of deeds, county commissioner, county treasurer and sheriff. The municipal offices include citywide offices in the cities of Boston, Lowell, Springfield, Worcester and Cambridge. The treasurers of each of the political committees of the state political parties are also required to designate a depository. Any references in this memorandum to candidates also apply to the political committees of the state political parties.



**Form CPF D103** (Certificate of Appointment of Depository): Depository candidates and their committees use this form to designate a bank or other authorized financial institution as a depository for their campaign funds.

**Form CPF D104** (Statement of Candidate Who Has Not Opened an Account in the Candidate's Designated Depository Bank): This form is filed when the candidate (1) does not intend to spend or receive any money **separate from the candidate's committee** or (2) does not have a committee and does not intend to spend or receive any money.

Each of these forms should be filed with this office by the candidate/committee **prior** to raising or spending any money as a depository candidate.

#### Making Deposits of Receipts

All monies received by a candidate or his committee must be deposited in the depository bank account. **Please note that all receipts must be deposited in the form in which they are received by the end of the seventh day following receipt.**

All receipts, including contributions, refunds, interest, and loans, are listed on the blue **Form CPF D106** ("Receipts and Expenditures Report"). Please make sure to list the receipts on the side labeled for receipts; the other side labeled for expenditures will be completed by the bank. The forms should be completed in **triplicate**.

In the first column headed "Cash or Bank Number" enter the bank clearing house number printed on the contributor's check, or if the contribution is in cash, the word "cash." In the second column headed "Date of Deposit" enter the date of **deposit (not the date the check was received)**. In the third column, headed "Contributor," list, separately and alphabetically, the name of each contributor who made a contribution of more than \$50 (or which together with all other contributions from such contributor in the same calendar year add up to more than \$50). In the fourth column, headed "Address," list the contributor's residential address. In the fifth column, labeled "Amount," enter the amount of the contribution. In the sixth column, labeled "Occupation/Employer," enter the occupation and employer for each contributor who made a contribution of \$200 or more (or which together with all other contributions from such contributor in the same calendar year add up to \$200 or more).

At the bottom of the form, total all receipts of more than \$50 which have been itemized as indicated above. On the next line, insert the total of receipts of \$50 and less being deposited at this time, and on the last line, insert the total of all receipts for this page. The forms should be presented to the bank together with any customary deposit slip required by the bank. Please note that the total on the deposit slip should equal the totals on the forms being submitted.

On submission, the bank will receipt stamp and return one set of forms for the candidate's/committee's records; it will retain two sets, one for its records and the original to be filed as a public record with this office on the applicable reporting schedule as required by law.

#### Issuing Checks for Expenditures

No payment for campaign finance purposes made by or for the benefit of a depository

candidate (or such candidate's committee) may be made if it is in excess of \$50 unless such payment is made by a check drawn on the depository bank account.<sup>2</sup>

Each check for a depository bank account contains nine different general purposes listed on its face (codes 1-9), one of which must be chosen when the check is completed. (See M-92-02 "Statement of Specific Purpose" for assistance.) In addition, a box indicating the specific purpose of the expenditure must be completed. Such check should be made payable to a payee whose name and address are printed on the check.

In order to cash a depository check, the payee must endorse the check below a certificate printed on the back which states "[t]he undersigned affirms under the penalties or perjury that he is the named payee of this check or an authorized officer thereof, that he or it performed the services or delivered the goods indicated hereon, that the payment is for the sole purpose of paying for such goods or service, and that no person other than the named payee has any interest, direct or indirect, in this payment."

Please note that the candidate and the treasurer of the committee have certain restrictions placed on the total (both per check and reporting period aggregate) which they may draw on the depository account. **Neither the candidate nor treasurer may be named as a payee of a check for more than \$50 and neither may receive more than \$500 during any reporting period.**

An example of the front and back of the depository check is attached as Appendix A. Regardless of the vendor printing the depository checks, all the information must be contained on the check.

#### Obligations of the Depository Bank

As checks are presented for payment, the depository bank will itemize a candidate's/ committee's expenditures on the back of the copies of the **Form CPF D106**. Additionally, the bank will copy the general purpose code number (1-9) from the face of the check as well as the specific purpose. If the general or specific purpose has been omitted the bank will enter an asterisk (\*). **It is the responsibility of the person completing the check to ensure that this information is supplied on each check.**

The depository bank is also responsible for summarizing the receipt and expenditure information supplied on the **Form CPF D106**. The bank will file this summary information on the fifth of each month showing deposits and expenditures made during the previous month as well as the account balance through the last day of the previous month. From July through December, the bank of a depository candidate who is on the ballot that year must file reports twice each month. These reports are due on the fifth and twentieth of each month, covering activity through the first and fifteenth, respectively.

These summaries, when applicable, are filed **by the bank** with this office on **Form CPF D105** ("Summary Report of Campaign Receipts and Expenditures") together with copies of the **Form D106**. The summaries and the receipt/expenditure reports are placed in the candidate's/ committee's file as public records. These filings provide the primary disclosure of the depository

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<sup>2</sup> A committee may use a credit card issued in the committee's name to make expenditures. However, credit card payments must be made by a check drawn on the depository bank account.

candidate's and committee's campaign finance activity. Thus, although the bank has responsibility for the actual filing of the forms, it must rely on the candidate/committee for the accuracy and completeness of the information on such forms.

#### Reporting Obligations of the Depository Candidate/Committee

In addition, the depository candidate (and such candidate's committee) has an annual reporting responsibility with this office. The filing of **Form CPF D102** (Campaign Finance Report) is required once a year on or before January 20th. The **Form CPF D102** summarizes all monetary and in-kind receipts, expenditures, assets and liabilities of the candidate (or the candidate's committee) for the previous calendar year.

**Candidate and treasurers should note, however, that section 19(d) of M.G.L. c.55 requires that a complete statement of all outstanding, unpaid obligations be filed with this office if there are not sufficient monies on deposit in the depository bank account to cover all authorized expenditures (incurred but not yet paid) together with all other unpaid obligations then outstanding (including loans).** Such statement must include, for each unpaid obligation, the terms of payment, the purpose of the expenditures by which the obligation was created and the name and address of the person holding the obligation. Such statement must be filed with this office on or before the fifth of each month, if applicable, for the preceding month.

#### Electronic Filing

Section 18C of M.G.L. c. 55 was enacted by the voters in 1998 as part of the new Clean Elections Law. This provision requires certain candidates and committees to file their campaign finance reports by electronic means starting on January 1, 2002. Specifically, certain candidates, including candidates for the offices of governor, lieutenant governor, state secretary, attorney general, state treasurer, auditor, and councilor will be required to file electronically if contributions or expenditures by the candidate or candidate's committee during an election cycle are more than 10% of the applicable expenditure limit established by section 6 of chapter 55A.<sup>3</sup> In addition, starting in 2004, state political party committees aiding or promoting the success or defeat of one or more candidates for state office, which raise or spend more than \$10,000 since December thirty-first following the last state election, must also report electronically. The depository banks used by these committees will be required to electronically file the CPF D 105 and CPF D 106 forms. For more information, contact OCPF.

If you have any questions concerning depository bank accounts and procedures, please contact this office at (617)727-8352 or 800-462-OC PF.

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<sup>3</sup> Expenditure limits for the entire 2002 election cycle for depository candidates are as follows: Governor, \$3,244,200; Lt. Governor, \$811,100; Attorney General, \$811,100; Auditor, \$270,400; Secretary of State, \$270,400; Governor's Councilor, \$43,300.

# APPENDIX A

FRONT

BACK

"The undersigned affirms under the penalties of perjury that he is the named payee of this check or an authorized officer thereof, that he or it performed the services or delivered the goods indicated hereon, that the payment is for the sole purpose of paying for such goods or services and that no person other than the named payee has any interest, direct or indirect, in this payment."

1 <input type="checkbox"/> TV, RADIO 2 <input type="checkbox"/> NEWSPAPER 3 <input type="checkbox"/> MEETINGS		4 <input type="checkbox"/> PRINTING 5 <input type="checkbox"/> OFFICE 6 <input type="checkbox"/> TRAVEL		7 <input checked="" type="checkbox"/> SIGNS OR DISPLAYS 8 <input type="checkbox"/> TRANSFER OF FUNDS 9 <input type="checkbox"/> OTHER	
SPECIFIC PURPOSE (MANDATORY) <u>Wood for campaign signs</u>					
NO. <u>11/3</u> 19 <u>74</u>					
PAY <u>ONE HUNDRED and</u> <u>NO 100 \$ 100.00</u>					
CAMPAIGN ACCOUNT					
TO THE ORDER OF <u>ABC LUMBER</u>					
ADDRESS <u>20 MAIN STREET</u>					
CITY-STATE <u>ANYTOWN, MASS.</u>					
AUTHORIZED SIGNATURE <u>John P. Treasurer</u>					